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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/798,212	03/10/2004	Evan H. Zucker	96448.2	6145
30734	7590	12/06/2010		
BAKER & HOSTETLER LLP		EXAMINER		
WASHINGTON SQUARE, SUITE 1100		VEZERIS, JAMES A		
1050 CONNECTICUT AVE. N.W.				
WASHINGTON, DC 20036-5304		ART UNIT		
		3693		
		PAPER NUMBER		
		NOTIFICATION DATE		DELIVERY MODE
		12/06/2010		ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

patents@bakerlaw.com

Office Action Summary	Application No. 10/798,212	Applicant(s) ZUCKER, EVAN H.
	Examiner JAMES A. VEZERIS	Art Unit 3693

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If no period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED. (35 U.S.C. § 133).

Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) Responsive to communication(s) filed on 07 September 2010.

2a) This action is FINAL. 2b) This action is non-final.

3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) Claim(s) 1-7, 14-26, 33-42 and 64-67 is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5) Claim(s) _____ is/are allowed.

6) Claim(s) 1-7, 14-26, 33-42, and 64-67 is/are rejected.

7) Claim(s) _____ is/are objected to.

8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) The specification is objected to by the Examiner.

10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a) All b) Some * c) None of:

1. Certified copies of the priority documents have been received.
2. Certified copies of the priority documents have been received in Application No. _____.
3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) Notice of References Cited (PTO-892)

2) Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____

4) Interview Summary (PTO-413)
Paper No(s)/Mail Date _____

5) Notice of Informal Patent Application

6) Other: _____

Detailed Action

Pre-Exam Formalities

1. Claims 1-7, 14-26, 33-42, and 64-67 are currently pending.
2. Claims 1, 18, 20, 38, 40, and 64-67 have been amended.
3. Examiner greatly appreciates Applicant's efforts to explain the pending application. However, due to the 112 issues and claim objections, Examiner was unable to utilize Examiner's Amendment to put the case into condition for allowance. Examiner hopes Applicant will continue providing support in the examination process as the Examiner finds it invaluable.

Response to Applicant's Arguments

4. The affidavit under 37 CFR 1.132 filed 9/7/2010 is insufficient to overcome the rejection of claims 1-7, 14-26, 33-42, and 64-67 based upon prior art as set forth in the last Office action because: while the showing of commercial viability can be used as a secondary factor in overcoming a rejection, it does not overcome all prior art. Further, the affidavit's argument that the prior art can not be combined to read on the claims and that the invention is unique will be taken into consideration. However in light of further rejections, Examiner can not rely on them to confer patentability as the claims currently stand.
5. Applicant's arguments filed 9/7/10, with respect to claim 20 being rejected under 35 U.S.C. 112 6th paragraph, have been fully considered but they are not persuasive. In

order to depend upon means for language the specification and claims must clearly define the structure and acts on which the limitations depend. Applicant's argument that a "computer system and the distributed network upon which the computer system resides" show the structure and acts which perform the limitations is insufficient. Applicant goes on to state the computer and distributed network are "described in the specification and are generally known to be capable of performing such transaction." However, in the USPTO memo released 9/2/2008 in regard to 35 U.S.C. 112 6th Paragraph and available on the USPTO's website, it is clearly stated that a "bare statement that known techniques or methods can be used would not be a sufficient disclosure." Further since the claim relies upon a computer system, a written description must include a corresponding algorithm. Examiner found no evidence of such algorithm in the specification.

6. Applicant's arguments, see page 24, filed 9/7/2010, with respect to the rejection of claims 1-7, 14-19, 20-26, 33-39, 40-42, and 64-67 under 35 U.S.C. 112 2nd Paragraph have been fully considered and are persuasive. The 35 U.S.C. 112 2nd paragraph rejection of claims 1-7, 14-19, 20-26, 33-39, 40-42, and 64-67 has been withdrawn.

a. Examiner further notes the indefinite rejection of claim 38 has been removed.

7. Applicant's arguments, see page 25, filed 9/7/2010, with respect to the rejection of claims 1-7, 14-19, 20-26, 33-39, 40-42, and 64-67 under 35 U.S.C. 103 have been fully considered and rejections under 103 have been withdrawn.

Claim Rejections- 35 U.S.C. 112

8. Claims 1-7, 14-26 and 33-42 and 64-67 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

- a. It is unclear in what order the steps occur in the independent claims. As currently written independent claim 1 states exchanging a relinquished property for a replacement property, and then transferring the replacement property. Further the replacement property is then leased to the operating partnership whom already appear to own the property. The replacement property was identified and acquired by an operating partnership before even the step of exchanging. Examiner points to the steps of exchanging, transferring, leasing, and receiving and notes it is unclear who is involved in performing these functions. Last the step of receiving operating partnership units is unclear as it is undeterminable who receives the operating partnerships as the property is under lease. Examiner notes that the order of steps in a claim is usually not of issue, however, the rules of IRC 1031 and IRC 721 require certain steps to be performed before others and as such, Examiner request clarification of the above mentioned steps.
- b. Independent claim 20 states similar limitations as claim 1 and presents the same confusions.

c. Examiner will use claim 40 as a guideline in examination. Examiner does note that claim 40 fails to show who performs the receiving, exchanging, entering, and leasing as was the case above.

i. Examiner notes there is a lack of antecedent basis in claim 41, as an agreement is stated in the body of the claim, however an exercisable agreement is stated in the independent claim.

9. Claim elements "exchanging" "transferring" "leasing" and "receiving" are means (or step) plus function limitations that invokes 35 U.S.C. 112, sixth paragraph. However, the written description fails to disclose the corresponding structure, material, or acts for the claimed function.

Applicant is required to:

- (a) Amend the claim so that the claim limitation will no longer be a means (or step) plus function limitation under 35 U.S.C. 112, sixth paragraph; or
- (b) Amend the written description of the specification such that it expressly recites what structure, material, or acts perform the claimed function without introducing any new matter (35 U.S.C. 132(a)).

If applicant is of the opinion that the written description of the specification already implicitly or inherently discloses the corresponding structure, material, or acts so that one of ordinary skill in the art would recognize what structure, material, or acts perform the claimed function, applicant is required to clarify the record by either:

- (a) Amending the written description of the specification such that it expressly recites the corresponding structure, material, or acts for performing the claimed function

and clearly links or associates the structure, material, or acts to the claimed function, without introducing any new matter (35 U.S.C. 132(a)); or

(b) Stating on the record what the corresponding structure, material, or acts, which are implicitly or inherently set forth in the written description of the specification, perform the claimed function. For more information, see 37 CFR 1.75(d) and MPEP §§ 608.01(o) and 2181.

Claim Objections

10. Claims 4, 23, and 42 are objected to under 37 CFR 1.75(c), as being of improper dependent form for failing to further limit the subject matter of a previous claim.

Applicant is required to cancel the claim(s), or amend the claim(s) to place the claim(s) in proper dependent form, or rewrite the claim(s) in independent form. Examiner notes all the limitations from the aforementioned claims are contained in the independent claims.

Prior Art

11. Claims 1-7, 14-26, 33-42, and 64-67 would be allowable if rewritten or amended to overcome the rejection(s) under 35 U.S.C. 112, 2nd paragraph, set forth in this Office action as well as the claim objections. Examiner focused the prior art search, as stated above, upon claim 40 wherein the 721 exchange occurs based on an "exercisable agreement." Examiner points this limitation out as it separates the claim limitations from the prior art, more specifically systems dealing with 1031 and 721 exchanges found in

the prior art as well as sale-leasebacks. Examiner has been unable to find any use of a sale-leaseback with an exercisable option being used to satisfy a 721 exchange upon exercising the option. Examiner notes that one final search will be made upon the entering of claim amendments to overcome the 112 rejections given above.

12. Notable art: <http://areit.listedcompany.com/news.html?id=99748>

13. Noteable art:

<http://mit.dspace.org/bitstream/handle/1721.1/32212/50060094.pdf?sequence=1>

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JAMES A. VEZERIS whose telephone number is (571)270-1580. The examiner can normally be reached on Monday- Friday 8:30am-5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Kramer can be reached on 571-272-6803. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/James A. Kramer/
Supervisory Patent Examiner, Art Unit 3693

11/30/2010

/JAMES A VEZERIS/
Examiner, Art Unit 3693

Application/Control Number: 10/798,212
Art Unit: 3693

Page 9